## Message Text

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E.O. 11652: NA TAGS: EAIR, IT

SUBJECT: CIVAIR - GOI REACTION TO FINAL 1977 SUMMER SCHEDULE

FILINGS

REF: ROME 1804

SUMMARY. AS EXPECTED ON BASIS OF GOI REACTION TO PRELIMINARY FILING (REFTEL), GOI NOTE IN RESPONSE TO FINAL SUMMER SCHEDULE FILINGS ESTABLISHES CAPACITY LIMITS FOR EXERCISE OF FIFTH FREEDOM RIGHTS BY PAN AM AND TWA, REJECTS PAN AM ONE-WAY ALL-CARGO FLIGHT AND CALLS FOR CONSULTATIONS WITHIN 30 DAYS OF FINAL FILING TO DISCUSS OVERALL COMBINED SERVICES AND ALL-CARGO CAPACITY OFFERED BY U.S. AIRLINES. END SUMMARY.

- 1. EMBASSY HAS JUST RECEIVED MFA NOTE 079/02625 OF FEBRUARY 9 WHICH CONVEYS THE COMMENTS OF "THE COMPETENT ITALIAN AUTHORITIES" ON FINAL SUMMER SCHEDULE FILING CONVEYED IN EMBASSY'S NOTE NO. 37 OF JANUARY 31. UNOFFICIAL TRANSLATION OF SUBSTANTIVE PORTION OF MFA NOTE FOLLOWS.
- 2. BEGIN TEXT. 1. PAN AMERICAN COMPANY HAS CONFIRMED THE DAILY PA 110/111 COMBINED SERVICES PROGRAM TO MIDEAST STOPS VIA ROME WITH B 747 AIRCRAFT ALONG THE ENTIRE ROUTE (EARLIER OPERATED LIMITED OFFICIAL USE

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WITH B 707 AIRCRAFT BETWEEN ROME AND MIDEAST STOPS) AND THE SCHEDULED

WEEKLY, ALL-CARGO UNIDIRECTIONAL, PA 167 ROME/LONDON/NEW YORK WITH B 747F AIRCRAFT BUT WITHOUT SPECIFYING THE POINT OF ORIGIN OF THE AIRCRAFT.

IN REGARD TO THE COMBINED SERVICES SCHEDULES OF THE PAN AMERICAN COMPANY FROM AND TO ISTANBUL AND TEHRAN VIA ROME WITH B 747

AIRCRAFT THIS MINISTRY (OF TRANSPORT) CONFIRMS THAT WHICH WAS COMMUNICATED EARLIER WHICH IS THAT THE USE FO B 747 AIRCRAFT AND THE CAPACITY OFFERED CONSTITUTE A SERIOUS INJURY (PREGIUDIZIO) TO THE ACQUISITION OF PRIMARY TRAFFIC BY THE DESIGNATED ITALIAN COMPANY AND CONFLICTS WITH THE PROVISIONS OF ART. 9, PARAGRAPHS B AND D, OF THE EXISTING ITALY/U.S.A. AIR AGREEMENT WHICH EXCLUDE THE POSSIBILITY OF UNDUE INTERFERENCE ON ROUTES OR PARTS OF THEM BY EITHER PARTY AND ESTABLISH A SAFEGUARD FOR THIRD AND FOURTH FREEDOM TRAFFIC WITH RESPECT TO COMPLEMENTARY AND SECONDARY FIFTH FREEDOM TRAFFIC

IN RELATION TO THE ABOVEAN THE USE OF B747 AIRCRAFT, NEVERTHELESS, CAN BE PERMITTED, WITH FIFTH FREEDOM TRAFFIC RIGHTS UP TO A MAXIMUM OF TWO WEEKLY FREQUENCIES ON THE ROME/TEHRAN AND ROME/ISTANBUL SECTORS AND VICE VERSA, OR AS AN ALTERNATIVE, THREE WEEKLY FREQUENCIES WITH FIFTH FREEDOM TRAFFIC RIGHTS ON THE SAME SECTORS IF B 707 AIRCRAFT ARE USED.

WITH REGARD TO THE PAN AMERICAN COMPANY ALL-CARGO SERVICES SCHEDULE THAT WHICH WAS EARLIER STATED IS CONFIRMED AND IN PARTICULAR THAT IT IS NOT POSSIBLE TO AUTHORIZE THE USE OF B 747F AIRCRAFT NOR TO CONSENT TO UNIDIRECTIONAL ROUTES.

2. THE TWA COMPANY CONFIRMED THE SCHEDULING OF 19 WEEKLY COMBINED SERVICES FREQUENCIES FROM AND TO ATHENS AND OF 14 WEEKLY COMBINED SERVICES FROM AND TO TEL AVIV VIA ROME AS WELL AS 7 WEEKLY COMBINED SERVICES FROM AND TO CAIRO VIA ROME.

ON THIS MATTER, CLARIFICATION WOULD BE APPRECIATED ON THE STOP WHERE THE CHANGE OF GAUGE FROM B 747 TO B 707 AIRCRAFT WOULD OCCUR ON FLIGHTS TW 840 AND TW 845 BECAUSE IF IT OCCURS AT ATHENS INSTEAD OF ROME AND, THEREFORE, THE B 747 AIRCRAFT IS USED LIMITED OFFICIAL USE

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ON THE ROME/ATHENS SECTOR AND VICE VERSA IT WOULD MEAN AN ABSOLUTELY UNACCEPTABLE INCREASE IN FIFTH FREEDOM CAPACITY. IN RELATION TO TWA COMBINED SERVICES AND IN PARTICULAR THE LARGE NUMBER OF FREQUENCIES THE SAME OBSERVATIONS ARE EXPRESSED AS SET OUT ABOVE IN REGARD TO THE PAN AMERICAN COMPANY'S COMBINED SERVICES FROM AND TO ISTANBUL AND TEHRAN VIA ROME AND IT IS MAINTAINED THAT IT IS ABSOLUTELY RIGHT TO LIMITED THE USE OF FIFTH FREEDOM RIGHTS AS FOLLOWS:

- WEEKLY FREQUENCIES WITH TRAFFIC RIGHTS ON THE FOLLOWING ROUTES WITH PROHIBITION OF TRAFFIC ON THE REMAINING FREQUENCIES:
- (A) ROME/ATHENS AND VICE VERSA 5
- (B) ROME/TEL AVIV AND VICE VERSA -3
- (C) ROME/CAIRO AND VICE VERSA 3
- 3) WITH REGARD TO THE SCHEDULED ALL-CARGO SERVICES OF THE SEABOARD COMPANY, AS HAS BEEN POINTED OUT MANY TIMES DURING THE COURSE OF VARIOUS ITALO-U.S. CONSULTATIONS, THE CHANGE OF GAUGE IS NOT PERMITTED ON THE BASIS OF EXISTING BILATERAL UNDERSTANDINGS. WITH REGARD TO THE OVERALL COMBINED AND ALL CARGO SERVICES

CAPACITY OFFERED BY THE U.S. COMPANIES, IT CANNOT BE ACCEPTED AS IT IS CONSIDERED EXCESSIVE WITH RESPECT TO ITALO-U.S. TRAFFIC REQUIREMENTS AND ENORMOUSLY UNBALANCED IN FAVOR OF THE U.S. COMPANIES.

IN ACCORDANCE WITH THE FOREGOING, IT IS NECESSARY THAT CONSULTATIONS TAE PLACE UNDER ART. 5 SUBPARAGRAPH B OF THE ITALO-U.S. CONFIDENTIAL MEMORANDUM OF UNDERSTANDING FOR THE JOINT EXAMINATION OF THE OVERALL CAPACITY SITUATION OF SAID SERVICES FOR THE 1977 SUMMER SEASON. END TEXT.

- 2. EMBASSY HAS ADVISED INFORMALLY TWA AND PAN AM LOCAL MANAGER OF CONTENTS OF NOTE THAT BEAR ON THEIR RESPECTIVE AFFAIRS.
- 3. COMMENT. TWA OFFICIAL STATES THAT TWO PLANS TO USE 747'S ON COMBINED SERVICES ROUTES BETWEEN U.S. POINTS AND ROME AND NOT ON ROME/CAIRO SECTOR. ART. 5 B OF THE MEMORANDUM OF UNDERSTANDING CALLS FOR INITIATING CONSULTATIONS WITHIN 30 DAYS OF DELIVERY OF LIMITED OFFICIAL USE

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FINAL SCHEDULES.BEAUDRY

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## Message Attributes

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